

AMENDED IN ASSEMBLY MARCH 26, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 2803

Introduced by Assembly Member Jerome Horton

February 20, 2004

An act to ~~add Sections 309.4 to~~ amend Section 321.1 of, and to add Section 309.4 to, the Public Utilities Code, relating to the Public Utilities Commission.

LEGISLATIVE COUNSEL'S DIGEST

AB 2803, as amended, Jerome Horton. Public Utilities Commission: Office of Economic Development.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities. Existing law establishes a division within the Public Utilities Commission, known as the Office of Ratepayer Advocates, to represent the interests of public utility customers and subscribers, with the goal of obtaining the lowest possible rate for service consistent with reliable and safe service levels. *Existing law states the intent of the Legislature that the commission assess the economic effects or consequences of its decisions within existing resources and commission structures, and prohibits the commission from establishing a separate office or department for the purpose of evaluating economic development consequences of commission activities.*

This bill would *delete the prohibition upon the commission establishing a separate office or department for the purpose of evaluating economic development consequences of commission activities and would* establish the Office of Economic Development as

a division within the commission to review and assess the beneficial and adverse economic impacts, as defined, intended and unintended, of commission decisions and orders in commission ~~proceeding~~ *proceedings*. The goal of the office would be to assist the commission in making decisions that will promote economic development and to avoid making decisions that will suppress economic development.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 309.4 is added to the Public Utilities
2 Code, to read:

3 309.4. (a) There shall be established within the commission,
4 a division named the Office of Economic Development, which
5 shall review and assess the beneficial and adverse economic
6 impacts, intended and unintended, of commission decisions and
7 orders in commission proceedings. The goal of the Office of
8 Economic Development is to assist the commission in making
9 decisions that will promote economic development and to avoid
10 making decisions that will suppress economic development.

11 (b) For purposes of this section:

12 (1) “Adverse economic impacts” includes increasing costs,
13 raising prices, loss of jobs or employment opportunities, reducing
14 technological innovation or investment in technological
15 innovation, reducing investment in infrastructure to serve
16 consumers, and reducing consumer choices and options.

17 (2) “Beneficial economic impacts” include increased
18 efficiency, reduced costs, reduced prices, technological
19 innovation, increased employment, increased consumer choices,
20 and increased information reasonably available to consumers to
21 make informed choices.

22 SEC. 2. Section 321.1 of the Public Utilities Code is amended
23 to read:

24 321.1. It is the intent of the Legislature that the commission
25 assess the economic effects or consequences of its decisions as part
26 of each ratemaking, rulemaking, or other proceeding, and that this
27 be accomplished using existing resources and within existing
28 commission structures. ~~The commission shall not establish a~~

- 1 ~~separate office or department for the purpose of evaluating~~
- 2 ~~economic development consequences of commission activities.~~

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